

# **Exhibit 88**

Page 1

1

2 IN THE UNITED STATES DISTRICT COURT  
3 FOR THE SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 IN RE THE BEAR STEARNS COMPANIES,  
6 INC. SECURITIES, DERIVATIVE,  
7 AND ERISA LITIGATION, MASTER FILE NO.:  
8 08 MDL No. 1963 (RWS)

This Document Relates To:  
Securities Action  
NO. 08 Civ. 2793 (RWS)

8 -----X

9 BRUCE S. SHERMAN,

10 Plaintiff,

11 VS. Index No.:  
12 09 CV 8161 (RWS)

13 BEAR STEARNS COMPANIES INC.,  
14 JAMES CAYNE, WARREN SPECTOR and  
15 DELOITTE & TOUCHE LLP,

16 Defendants.

17 -----X

18 \*\*C O N F I D E N T I A L\*\*  
19 VIDEOTAPED DEPOSITION  
20 OF  
21 MATTHEW TANNIN  
22 Thursday, September 18, 2014  
23 One Battery Park Plaza  
24 New York, New York

25 Reported by:

AYLETTE GONZALEZ, RPR, CLR, CCR  
JOB NO. 84716

<p style="text-align: right;">Page 86</p> <p>1       CONFIDENTIAL - MATTHEW TANNIN      2       A. Not including Everquest?      3       Q. "Not including Everquest."      4              Everquest is yet to come by KLIO,      5              Circ?      6              MR. HURWITZ: Objection to the      7              form.      8              A. Well, I don't believe, again, to      9              the best of my recollection, that Bear Stearns      10             was a counterparty to the KLIO transaction or      11             the Circ transaction. Your initial question      12             about --      13              Q. I was asking about the High Grade      14             Fund and who it was trading with.      15              MR. HURWITZ: I'm sorry, can we --      16             it's your transcript, but first of      17             all, can you not interrupt the      18             witness?      19             And also second, can we just ask      20             one question at a time so we have a      21             clear record about what question the      22             witness is answering?      23              MR. ZELCS: I -- I appreciate and      24             encourage any recommendations you      25             have, so thank you.</p>	<p style="text-align: right;">Page 87</p> <p>1       CONFIDENTIAL - MATTHEW TANNIN      2       Q. Go ahead.      3       A. Why don't we -- why don't you ask      4              the question again.      5       Q. Better question.      6              We talked earlier about the      7              transactions that the High Grade Fund had      8              entered into with various Bear entities, you      9              recall?      10       A. Yes.      11       Q. Okay. And I was trying to identify      12              the various Bear entities that the High Grade      13              Fund transacted with?      14       A. Yes.      15       Q. I threw out the name, the      16              broker-dealer, Bear Stearns &amp; Company, and you      17              said yes, right?      18       A. Yes.      19       Q. Threw out the prime -- prime      20              broker, which is Bear Stearns Securities      21              Corporation, and I believe you said yes,      22              right?      23       MS. BEATTIE: I actually don't      24              think he -- he didn't answer that      25              question.</p>
<p style="text-align: right;">Page 88</p> <p>1       CONFIDENTIAL - MATTHEW TANNIN      2       Q. Go ahead, answer it now.      3       MS. BEATTIE: So why don't you --      4       A. I believe the funds did transact      5              with the prime broker.      6       Q. Okay. I was probably anticipating      7              it, but we're there now.      8       What other Bear affiliates did the      9              funds transact with other than the ones that      10             I've mentioned?      11       A. I'm not aware -- I don't -- I don't      12              recall an entity other than the broker-dealer      13              and the prime broker.      14       Q. Okay. And when we talk about      15              transacting with those entities, we're      16              literally talking about thousands of      17              transactions, correct?      18       MS. BEATTIE: Objection.      19       A. I believe that that's true, yes.      20       Q. There came a point in time when --      21              because of the affiliated nature of the Bear      22              entities that were counterparties to      23              transactions with the High Grade Fund, that      24              there were issues raised about regulatory      25              reporting and ultimately Bear band any such</p>	<p style="text-align: right;">Page 89</p> <p>1       CONFIDENTIAL - MATTHEW TANNIN      2              further related party transactions, correct?      3       MS. BEATTIE: Objection.      4       MR. HURWITZ: Objection to the      5              form.      6       A. I don't believe that that's      7              accurate.      8       Q. Okay. What's not accurate about      9              that?      10       A. My recollection -- to the best of      11              my recollection, there was a -- Bear Stearns      12              Asset Management decided to put a temporary      13              moratorium on trading with Bear Stearns      14              entities.      15       Q. When did the temporary moratorium      16              start?      17       A. I believe it was in August or      18              September of 2006.      19       Q. Are we in sync that it preceded the      20              sale to Ramparts/Everquest?      21       A. I believe so.      22       Q. Okay. Did the temporary band ever      23              end before the funds failed?      24       A. Yes.      25       Q. When did it end?</p>

<p style="text-align: right;">Page 90</p> <p>1           CONFIDENTIAL - MATTHEW TANNIN      2       A. In March or April of 2007.      3       Q. Okay. So in the last 60 days      4 before the High Grade and Enhanced Funds were      5 liquidated, they were back doing transactions      6 with Bear affiliates including the      7 broker-dealer and the prime broker, correct?      8       MS. BEATTIE: Objection.      9       A. To the best of my recollection,      10 there were repo transactions primarily. There      11 may have been other positions traded, but I --      12 I don't recall, but my recollection is that it      13 was primarily repo.      14       Q. And -- and the repo transactions      15 were essentially overnight transactions where      16 Bear was financing either the positions that      17 the fund held or was seeking to -- to -- to      18 take, correct?      19       MS. BEATTIE: Objection.      20       A. There were repo transactions; I      21 don't recall sitting here today what the term      22 of those repo transactions were.      23       Q. Can we agree that they were      24 financing transactions?      25       A. Yes.</p>	<p style="text-align: right;">Page 91</p> <p>1           CONFIDENTIAL - MATTHEW TANNIN      2       Q. Bear was advancing money for the      3 fund, using fund assets as collateral, we're      4 not sure as we sit here today what the term in      5 terms of duration of those individual repo      6 transactions was, correct?      7       A. That's to the best of my      8 recollection.      9       Q. All right. Now, were you involved      10 in those transactions, the repo transactions?      11       A. No, I was not.      12       Q. Who -- who -- who was involved in      13 those transactions from the side of the fund      14 that you were the COO of?      15       A. Joan Pusateri would have been      16 primarily responsible for executing those      17 trades, she had people who worked for her.      18 And I'm sure Ralph -- to the best of my      19 recollection, Ralph was also aware of which      20 positions were being repo'd with who.      21       Q. Okay. Would Joan have been      22 responsible for negotiating the terms of the      23 repo transactions?      24       MS. BEATTIE: Objection.      25       A. To the best of my recollection,</p>
<p style="text-align: right;">Page 92</p> <p>1           CONFIDENTIAL - MATTHEW TANNIN      2 that would have been -- she may have conveyed      3 to Ralph what -- what the terms were or what      4 the suggested terms were where Ralph may have      5 agreed or proposed other -- other terms. But      6 to the best of my recollection, Joan didn't      7 have -- she didn't negotiate terms herself.      8       Q. Would the repo transactions have      9 been with the broker-dealer or the prime      10 broker or someone else?      11       A. I don't -- I don't know the      12 difference in terms of which entity would have      13 been.      14       Q. You don't know who was on the other      15 side of those transactions with you, which      16 entity, other than it was a Bear entity?      17       A. That's correct.      18       Q. Would you know who was negotiating      19 with your fund, whether it be with Joan or      20 Ralph, in terms -- the terms of such repo      21 transactions on behalf of whatever that Bear      22 entity was that was the counterparty on the      23 repo transaction?      24       A. I don't recall.      25       Q. Okay. Did you ever know who that</p>	<p style="text-align: right;">Page 93</p> <p>1           CONFIDENTIAL - MATTHEW TANNIN      2 was?      3       A. I knew -- I'm not sure who on the      4 repo desk, you know, I'm not sure with which      5 person the terms were negotiated.      6       Q. Did you ever have any discussions      7 with Tom Marano about those repo transactions      8 the last 60 days before the funds went down?      9       A. I don't believe that I ever had      10 conversations with Tom Marano, no.      11       Q. Do you know whether Ralph or Joan      12 did?      13       A. I don't recall.      14       Q. Okay. Did you ever have any      15 conversations with Warren Spector about those      16 repo transactions?      17       A. I did not myself have any      18 conversations with --      19       Q. Do you know whether Ralph or Joan      20 did?      21       A. I don't know.      22       Q. Okay. When did you first begin to      23 deal with Tom Marano?      24       MS. BEATTIE: Objection.      25       A. I don't recall whether it was in --</p>

**ERRATA SHEET**  
**FOR THE DEPOSITION OF MATTHEW TANNIN**  
on September 18, 2014

**In re the Bear Stearns Companies Inc. Securities, Derivative, and ERISA Litigation**

**08-MDL-1963 (RWS)**

The Witness, MATTHEW TANNIN, states he wishes to correct the following errors in his testimony as transcribed and make the following changes:

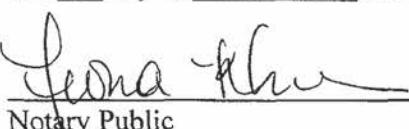
PAGE	LINE(S)	ORIGINAL	CORRECTION	REASON
13	10	company	Company	Transcription Error
20	11	1990 --	DELETE	Correction
23	18	CDO	CDOs	Correction
24	14	told	hold	Transcription Error
26	8-9	high grade, is that the high -- same high grade	High Grade, is that the High -- same High Grade	Transcription Error
27	3	offshores at	offshore or	Correction
27	18-20	there was master funds that was at Cayman Island entities,	there was a master fund that was a Cayman Island entity	Correction
38	24	of	for	Correction
44	2	this	the	Correction
51	20	Cummins	Cummings	Transcription Error
51	24	guy, Sal's? Did that have	guy, Van Solkema? Did he have	Correction
69	6	funds? Were	funds, were	Punctuation
80	2	with	in	Correction
80	10	believe	believe,	Punctuation
83	5	knot.	“not.”	Transcription Error and Punctuation
83	7	come one.	come on	Transcription Error
85	25	SBV	SPV	Transcription Error
86	4	by	like	Correction
88	25	band	banned	Transcription Error
89	22	band	ban	Transcription Error
92	12	entity would	entity it would	Correction
94	4	in	if	Transcription Error
95	2	the fund involved	that the fund was involved in	Correction
96	7	year, may	year, it may	Correction

PAGE	LINE(S)	ORIGINAL	CORRECTION	REASON
105	4	Bear	Bear Stearns	Correction
105	19	of	with	Correction
112	12	mark	marked	Correction
130	25	waive	waive,	Punctuation
141	23	could	did	Correction
142	24	or	for	Transcription Error
144	4	band	ban	Transcription Error
144	9	band	ban	Transcription Error
144	21	and	in	Correction
145	17	answer's	answer is	Transcription Error
156	5	any of	DELETE	Transcription Error
161	8	on my -- my	unlike my	Transcription Error
171	12	funds	funds,	Punctuation
175	23-24	reported me	reported to me	Correction
195	21	indirectly or	indirectly were	Transcription Error
196	11	on	in	Transcription Error
204	12	ABS,	ABS	Punctuation
205	19	there	it	Correction
207	15	we had subsequently	we subsequently	Correction



MATTHEW TANNIN

Subscribed and sworn to before me  
this 5<sup>th</sup> day of November, 2014.



Feona Khan  
Notary Public

My Commission Expires: Sept 11<sup>th</sup> 2019

FEONA KHAN  
Notary Public, State of New York  
No. 01BA6152435  
Qualified in Queens County  
Commission Expires Sept 11<sup>th</sup> 2019